



General Obligation Bonds: Pending & Enacted

SENATE REPUBLICAN FISCAL OFFICE &
SENATE REPUBLICAN OFFICE OF POLICY

April 30, 2003

Background. California's economic growth and quality of life are in part dependent on the adequacy of the state's public infrastructure. Public roads, schools, water treatment and supply facilities, correctional institutions and other public assets are necessary to ensure that California meets the needs of its growing population. Additionally, adequate infrastructure is a necessary component to a healthy business climate and sustained economic growth.

The State employs two primary approaches to funding infrastructure needs: direct funding, also known as "pay-as-you-go," and long-term financing through the issuance of bonds.

Approved by voters and backed by the "full faith and credit" of the state, general obligation bonds are the primary source of long-term financing. Table 1 below displays the state's current inventory of general obligation bonds. The table's key points include:

- California voters have approved approximately \$63.1 billion of general obligation bonds.
- Approximately \$28.5 billion (45%) of authorized bonds have been issued and are currently outstanding, with maturity dates reaching to the year 2032.
- Nearly \$12 billion (19%) of the authorized bonds have been repaid.
- Of the \$28.5 billion of unissued bonds, \$25.1 billion (88%) have been authorized in the last four years.

Bonds Pending in the Legislature. Table 2 identifies sixteen general obligation bond acts that have been introduced in this legislative session. These bills cover topics from libraries to seismic safety to seaports. Close to \$61 billion is currently specified in the bills and a quarter of the bills do not specify amounts. Additionally, AB 16 from last session places a \$12.3 billion K-12/Higher Ed bond on the ballot for the March 2004 election.

Conclusion. Notwithstanding the fact the voters have approved nearly \$26 billion in new general obligation bond authority in the last four years, Legislators will be asked to weigh the appropriateness of asking voters to authorize up to \$61 billion in additional bonding authority. At a time when the state is struggling with a budget deficit approaching \$40 billion, the answer to additional bond debt may be a resounding "No."

Table 1
General Obligation Bonds Enacted
(dollars in thousands)
Sales through December 31, 2002

Bond Act	Maturity	Authorized	Unissued	Outstanding	Redeemed
BUSINESS, TRANSP & HOUSING					
Clean Air & Transp Improv (1990)	1991-2032	\$1,990,000	\$338,225	\$1,258,965	\$392,810
Housing & Homeless (1990)	1991-2023	150,000	-	6,450	143,550
Housing & Emergency Shelter (2002)		2,100,000	2,100,000	-	-
Passenger Rail & Clean Air (1990)	1991-2021	1,000,000	13900	591,890	394,210
Seismic Retrofit (1996)	1997-2032	2,000,000	442,645	1,435,760	121,595
Total, Business, Transp & Housing.		\$7,240,000	\$2,894,770	\$3,293,065	\$1,052,165
NATURAL RESOURCES					
Ca Park & Recreational Facil (1984)	1985-2027	\$370,000	\$1,100	\$138,640	\$230,260
Ca Parklands (1980)	1982-2024	285,000	-	33,620	251,380
Ca Safe Drinking Water (1976)	1981-2027	175,000	2,500	43,760	128,740
Ca Safe Drinking Water (1984)	1986-2027	75,000	-	28,300	46,700
Ca Safe Drinking Water (1986)	1991-2030	100,000	-	61,760	38,240
Co Safe Drinking Water (1988)	1991-2029	75,000	8,265	47,985	18,750
Ca Safe Drinking Water (2000)	2001-2032	1,970,000	1,734,000	234,000	2,000
Ca Wildlife, Coast, & Park Land Cons (1988)	1990-2032	776,000	7,330	430,755	337,915
Clean Water (1970)	1972-2011	250,000	-	4,500	245,500
Clean Water (1974)	1978-2011	250,000	-	9,195	240,805
Clean Water (1984)	1986-2024	325,000	-	86,285	238,715
Clean Water, Clean Air, and Parks (2002)		2,600,000	2,600,000	-	-
Community Parklands (1986)	1990-2022	100,000	-	44,080	55,920
Fish & Wildlife Habitat Enhance (1984)	1986-2029	85,000	3,000	28,220	53,780
Lake Tahoe Acquisitions (1982)	1986-2017	85,000	-	30,145	54,855
Safe, Clean, Reliable Water Supply (1996)	1998-2032	995,000	589,000	382,675	23,325
Safe Neighborhood Parks (2000)	2001-2032	2,100,000	1,590,415	503,085	6,500
State Beach, Park, Recrl & Hist Facil (1974)	1967-2003	250,000	-	495	249,505
State, Urban & Coastal Park (1976)	1978-2029	280,000	-	15,125	264,875
Water Conserv & Water Quality (1986)	1993-2031	150,000	27,600	72,240	50,160
Water Conserv(1988)	1991-2031	60,000	15,935	32,940	11,125
Total, Natural Resources.		\$11,356,000	\$6,579,145	\$2,227,805	\$2,549,050

ENVIRONMENTAL PROTECTION					
Clean Water & Water Conserv (1978)	1981-2028	\$375,000	-	\$42,955	\$332,045
Clean Water & Water Reclam (1988)	1991-2029	65,000	-	46,155	18,845
Hazardous Substance Cleanup (1984)	1986-2005	100,000	-	7,500	92,500
Water Security, Coastal & Beach Protection (2002)		<u>3,440,000</u>	<u>\$3,440,000</u>	-	-
Total, Environmental Protection.		\$3,980,000	\$3,440,000	\$96,610	\$443,390
HEALTH AND HUMAN SERVICES					
Senior Center (1984)	1986-2006	<u>\$50,000</u>	-	<u>\$9,750</u>	<u>\$40,250</u>
Total, Health and Human Services.		\$50,000	\$0	\$9,750	\$40,250
YOUTH AND ADULT CORRECTIONAL					
Co Corr Facil Cap Expend (1986)	1989-2022	\$495,000	-	\$225,780	\$269,220
Co Corr Facil Cap Expend & Youth Facil (1988)	1991-2030	500,000	-	300,070	199,930
Co Jail Cap Expend (1981)	1984-2011	280,000	-	64,800	215,200
Co Jail Cap Expend (1984)	1986-2009	250,000	-	59,500	190,500
New Prison Construction (1981)	1983-2006	495,000	-	64,000	431,000
New Prison Construction (1984)	1985-2006	300,000	-	47,500	252,500
New Prison Construction (1986)	1989-2017	500,000	\$1,500	193,155	305,345
New Prison Construction (1988)	1991-2021	817,000	12,260	401,200	403,540
New Prison Construction (1990)	1991-2021	<u>450,000</u>	<u>8,100</u>	<u>236,640</u>	<u>205,260</u>
Total, Youth & Adult Correctional.		\$4,087,000	\$21,860	\$1,592,645	\$2,472,495
EDUCATION-K-12					
Ca Library Constr & Renov (1988) .	1991-2031	\$75,000	\$2,595	\$47,585	\$24,820
Ca Library Constr & Renov (2000) .	2001-2031	350,000	349,500	490	10
Class Size Reduction K-U Pub. Ed. Facil (1998) K-12	1999-2032	6,700,000	506,300	5,969,250	224,450
Public Education Facil (1996) K-12	1997-2032	2,025,000	67,535	1,685,105	272,360
Public Education Facil (2002) K-12		11,400,000	11,400,000	-	-
School Bldg & Earthquake (1974)	1997-2026	40,000	-	31,990	8,010
School Facilities (1988)	1990-2011	800,000	-	369,730	430,270
School Facilities (1990)	1992-2031	800,000	3,500	475,415	321,085
School Facilities (1992)	1993-2032	1,900,000	20,400	1,196,845	682,755
State Sch Bldg Lease-Purch (1982)	1984-2005	500,000	-	39,795	460,205
State Sch Bldg Lease-Purch (1984)	1987-2011	450,000	-	125,000	325,000
State Sch Bldg Lease-Purch (1986)	1990-2011	800,000	-	306,800	493,200
1988 School Facil Bond Act (Nov)	1991-2029	800,000	7,000	413,480	379,520
1990 School Facil Bond Act (Jun)	1991-2028	800,000	3,745	440,300	355,955
1992 School Facil Bond Act (Nov)	1994-2032	<u>900,000</u>	<u>8,094</u>	<u>591,627</u>	<u>300,279</u>
Total, Education-K-12.		\$28,340,000	\$12,368,669	\$11,693,412	\$4,277,919

HIGHER EDUCATION					
Class Size Reduction K-U Pub. Ed. Facil (1998) Hi-Ed	1999-2032	\$2,500,000	\$1,115,305	\$1,362,250	\$22,445
Higher Education Facil (1986)	1989-2011	400,000	-	143,500	256,500
Higher Education Facil (1988)	1990-2031	600,000	10,805	293,170	296,025
Higher Education Facil (Jun 1990)	1991-2031	450,000	5,000	249,610	195,390
Higher Education Facil (Jun 1992)	1993-2032	900,000	9,110	651,660	239,230
Public Education Facil (1996) Hi-Ed	1997-2032	975,000	39,650	869,780	65,570
Public Education Facil (2002) Hi-Ed		1,650,000	1,650,000	-	-
Total, Higher Education.		\$7,475,000	\$2,829,870	\$3,569,970	\$1,075,160
GENERAL GOVERNMENT					
Earthquake Safety & Public Bldg. Rehab (1990)	1991-2022	\$300,000	\$70,000	\$197,915	\$32,085
Veterans' Homes (2000)		50,000	50,000	-	-
Voting Modernization (2002)		200,000	200,000	-	-
Total, General Government.		\$550,000	\$320,000	\$197,915	\$32,085
Total, All Agencies.		\$63,078,000	\$28,454,314	\$22,681,172	\$11,942,514

Table 2
General Obligation Bonds Pending

	Bill #	Description	Amount	Ballot	Location
	Business, Transportation & Housing				
	SB 321 (Torlakson)	Invest in California Infrastructure Bond Act	\$15 billion	General	<i>Senate Transportation</i>
	SB 998 (Bowen)	California Economic Stimulus and Public Infrastructure Security and Investment Bond Act	\$1.045 billion	General	<i>Senate G.O.</i>
	AB 222 (Corbett)	California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2004	Unspecified	Primary	<i>Assembly Local Gov. Set for Hearing 5/7</i>
	AB 531 (Kehoe)	Community Infrastructure and Economic Development Bond Act of 2004	\$10 billion	Unspecified	<i>Assembly Appropriations</i>
	AB 1506 (Negrete-McLeod)	Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century	\$9.95 billion		<i>Assembly Appropriations</i>
	Education				
	AB 16 (Hertzberg), Chapter 33 of Statutes of 2002	Kindergarten-University Public Education Facilities Bond Act of 2004	\$ 12.3 billion	Primary	<i>On Ballot</i>
	SB 14 (Escutia)	Early Childhood Education and After School Facilities Program Act of 2003	\$ 5 billion	General	<i>Senate Ed. Set for Hearing 4/30</i>
	SB 40 (Alpert)	California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2004	\$ 2 billion	Primary	<i>Senate Appropriations</i>
	Environmental Protection				
	SB 701 (Florez)	California Clean Air Bond Act of 2004	\$4.55 billion	Primary	<i>Senate EQ Set for Hearing 5/5</i>
	AB 93 (Canciamilla)	Safe, Clean, and Reliable Water Supply Water Bond Act of 2004.	Unspecified	Unspecified	<i>Assembly ES & TM</i>
	AB 740 (Pavley)	Clean Air, Clean Water, and Coastal Protection Act of 2004.	\$2.9 billion	Unspecified	<i>Assembly Appropriations</i>
	Health & Human Services				
	SB 778 (Ortiz)	Biomedical Research and	Unspecified	Unspecified	<i>Senate H&HS</i>

		Development Act of 2004			
	SB 953 (Dunn)	Children's Hospital Bond Act of 2004	Unspecified	Unspecified	<i>Senate Appropriations Set for Hearing 5/5</i>
General Government					
	SB 655 (Escutia)	California Court Facilities Construction and Renovation Bond Act of 2004. AB 688 (Nakanishi) contains implementation language.	\$4.146 billion	Unspecified	<i>Senate Appropriations Set for Hearing 5/5</i>
	SB 887 (Perata)	Seaport Security and Port Neighborhood Transportation, Clean Air, and Navigation Improvement Bond Act of 2003	\$1 billion	General	<i>Senate G.O. Set for Hearing 5/6</i>
	AB 1066 (Liu)	Seismic Safety Bond Act of 2004	\$700 million	Unspecified	<i>Assembly Appropriations</i>
Natural Resources					
	SB 750 (Machado)	Safe Drinking Water, Water Quality, Flood Protection, and Water Supply Reliability Act of 2004	\$5 billion	Unspecified	<i>Senate Ag & Water Set for Hearing 5/6</i>

For more information on the pending legislation, please contact Jennifer Franco at (916) 323-9221.
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